



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

DOCKET NO. 70-1257

AUG 7 1980

Exxon Nuclear Company, Inc.
Research & Technology Center
ATTN: Mr. Leo E. Hansen, Senior Specialist
Criticality Safety and Physical Security
2955 George Washington Way
Richland, Washington 99352

Gentlemen:

This refers to your June 12, 1980 letter to Douglas Weiss of this office, concerning the amendment fee requested for the review of your May 16, 1980 physical security plan for the protection of low strategic quantities of SNM. You requested that we reconsider the necessity for the fee since you believe the plan merely formalizes existing practices and procedures, and that no major safeguards amendment fee should be charged for submittals initiated by regulatory change.

The requirements specified in 10 CFR 73.67 for the protection of low strategic SNM are new safeguards requirements against which the Licensing staff will review and evaluate your security plan. The Licensing staff has informed us that the review of your plan will require a major review effort to determine whether the plan meets the requirements of 10 CFR 73.67, and that, approval of the plan will result in an amendment to License SNM-1227. Such review and approval is subject to a safeguards amendment fee of \$6,900.

The submission of a security plan is required by Commission regulation for the purpose of assuring that a licensed fuel cycle facility has in effect an acceptable plan to provide for the protection of SNM. The Commission's fee guidelines provide that fees may be assessed to persons who are identifiable recipients of "special benefits" conferred by specifically identified activities of the NRC. The term "special benefits" includes services rendered at the request of a recipient and all services required for the issuance of a license, permit, approval, or amendment, or other services necessary to assist a recipient in complying with statutory obligations or obligations under the Commission's regulations. Because the review of security plans is considered as assisting licensees in complying with statutory and regulatory requirements, and because the approval of security plans will result in license amendments, amendment fees have been assessed for the review of these plans. While your security plan was initiated in response to a revised Commission regulation, the filing of the plan for NRC review is not exempt from fees. (The submission of your security plan for NRC review is similar to the 1979 submissions of safeguards contingency plan and guard training plan; both of which were submitted for NRC review and approval in response to revised Commission regulations, and for which your Company paid a major safeguards amendment fee for each plan.)

Exxon Nuclear Company, Inc.

- 2 -

Based on the foregoing and as requested in our June 2, 1980 letter, an amendment fee of \$6,900 remains due and payable for your physical security plan. Payment of the fee should be made promptly to this office. Please note that Section 170.12(a) of the enclosed Part 170 specifies that, no application will be accepted for filing or processed prior to payment of the full amount of the fee. Your physical security plan will be forwarded to the NRC Licensing staff for processing upon receipt of the subject amendment fee. The final charge will be based on actual cost up to the maximum shown in Section 170.31.

Sincerely,

William O. Miller, Chief
License Fee Management Branch
Office of Administration

Enclosure:
10 CFR 170